



Cool Profits in a Red-Hot Market: The Good Times Continue for Hawaii Developers

By Lee Schaller

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Donna Walker (left), sales agent for Schuler Homes, Inc. and Sis George, sales manager for Schuler's upscale Leolani residential development at Hawaii Kai



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Last year's cover feature on developers was titled "Let the Good Times Roll", an apt introduction to the positive story that followed.

If we knew then what we know now, we could have ended that story with a line borrowed from old-time entertainers — "you ain't seen nothing yet!"

The blue skies and sunny days are still with us. In fact, according to those interviewed for this extensive report, things are better than ever. And barring an unforeseen catastrophe, they are



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expected to continue. So tune out the naysayers. Tone down the doom and gloom predictors. And listen to what some of Hawaii's most powerful industry members have to say.

The Time is Now

No one has his or her head buried in the sand here. Just about everyone we spoke with for this story tempered his or her extremely upbeat statements with an awareness that things conceivably could change "if something disastrous happens" in national or world events. But ironically, that very awareness, including a new sense of national and personal vulnerability brought on by the events of September 11, 2001, actually is proving to be a positive factor in underscoring what's really important. Precarious situations, not fully knowing what lies ahead, feelings such as "life is short, let's go for that dream now", all are propelling action.

"People are thinking about and discussing the quality of life," says Patrick O'Neill, director of sales and marketing for Stanford Carr Development (SCD). "They're going after the things they've dreamed about, such as the home they've always wanted." This motivation seems to be even more apparent with mainland buyers. "Mainland buyers currently make up approximately 20 percent of our market," says O'Neill, "up from fifteen percent last year." That home — often a second home — in Hawaii is part of the dream they are now actively pursuing. "Also, baby boomers are now at the point in life where they are financially able to buy that second home," says O'Neill, whose company includes residential developments such as



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Waikoloa Colony Villas at Waikoloa Beach Resort on the Big Island, a luxury town home development. Other neighbor island properties are Kahakai Estates in Kona, and Kehalani, a master-planned community on Maui. "And we have several neighbor island projects on the drawing board," says O'Neill. But the focus of most attention has been SCD's development called the Peninsula in Hawaii Kai which has captured the majority of awards in the BIA's Parade of Homes for the past two years, including Grand Champion and Best in Show, Oahu.

"The entire Peninsula is sold out," says O'Neill. "We've already moved in 150 homeowners, with 50 left to go." O'Neill explains that Phase Two, called The Cottages, is now in production, consisting of town homes in the mid \$300,000 range and single family homes in the \$400,000 range. How good is the current sales picture? O'Neill reported in last year's story that 2001 saw more single family homes sold than in any other year in recorded history and at the time of that May 2002 interview, sales already were up 9 percent over 2001. Today, the news is even brighter. "Currently, our year-to-date sales are up 10 to 15 percent on average over last year," says O'Neill. "That's sustainable growth." Are the more expensive, high-end homes doing well? "Our high-end homes (up to \$1 million) are sold out," replies O'Neill. "There's lots of demand — some owners already are reselling." SCD is averaging 10 home sales per month at the Peninsula, where another project, The Colony, a four-story luxury condo, sold out the entire 96 units in its first building within two weeks. "People were camping out the night

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before!” says O’Neill. The second building (of a total of three) at The Colony is opening sales early this summer. O’Neill emphasizes the uniqueness of the architecture: “It’s Hawaii-Mediterranean with open catwalks — no dark hallways — nine-foot ceilings, and high-end features. The courtyard area is like a tropical oasis, complete with lush landscaping. But one of the main attributes is the view — marina, ocean, and mountain.” How does tomorrow look for SCD? “We fully expect the present positive situation to continue,” says O’Neill.

We’re Building as Fast as We Can

“They’re still rolling!,” says Richard Dunn, executive vice president, sales and marketing, Haseko Realty. He refers to last year’s B.I. story titled “Let the Good Times Roll.” “We’re selling more homes at Ocean Pointe than the site work allows us to build! We are very positive about how things are going. It’s exceptional — as good, if not better, than last year.” Dunn reports that Haseko’s Ocean Pointe development opened a new model complex in October 2002, with 17 new models and floor plans. “There are four different series in this new neighborhood which is called Ke Noho Kai — one town home complex and three devoted to single family homes. We’ll be introducing another new series of models, with sales beginning in May.”

In the meantime, Mariners Place, which opened last year at Ocean Pointe, is sold out.

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Patrick O'Neill, director of sales and marketing for Stanford Carr Development (SCD) checks on the progress of The Colony, a new luxury condo.

“We’re currently focusing on the ‘move-up’ market,” says Dunn. “In most areas of Hawaii, homeowners have gotten the value of their property back up to what it was in the ‘bubble years’, so now they can afford to move up. Those who have been sitting on the sidelines have to take advantage of the favorable interest rates — the lowest in the past 40 years!” Dunn feels that Oahu’s Ewa area is “beginning its metamorphosis”, creating the infrastructure which will support the residential growth. “At Ocean Pointe,” he adds, “what helps make us unique is our master plan and our commitment to the master plan.” (Editor’s note: Ocean Pointe won the Parade of Homes award in 2002 for “Best Community Plan.”) “Part of the ultimate vision, if all goes well,” he continues, “is the creation within the next 10 to 15 years, of the largest marina in the state — complete with shops, restaurants, and other amenities.” Dunn also speaks of the “neo-traditional approach” at Ocean Pointe. “Features such as detached garages along the back of the homes help insure that the neighborhoods look good. There’s not a

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bunch of cul de sacs. And we build front porches, pedestrian pathways, things that make the neighborhoods inviting. They say “come and get to know your neighbors.””

Across the Board

The continuing strength of new development is not just a spurt here and there. It seems to be a significant pattern throughout the state. As Mary Flood, vice president, sales and marketing for Schuler Homes, Inc. puts it, “New home sales success is not happening in one location or in one price range. It is across the board from Hawaii Kai to Maili and from high end to the entry level. We sold 130 homes in the last quarter compared to 87 at the same time last year.” Flood says prices continue to increase as well with the resale prices of homes sold just a year ago up by 20 percent or more. “New homes are a bargain in comparison.” Flood reports that the Big Island also is seeing great demand. “Both our Lualai development at Waimea and Pualani in Kona have sold everything that has been released for sale since they opened last fall. Demand continues to outpace construction in all areas of the state. Buyers realize that with interest rates at 5.75 percent, they can afford the dream home they’ve always wanted. That’s why we are providing spacious, architecturally distinct homes at Leolani in Hawaii Kai.”

Current Schuler Developments:

- HighPointe at Makakilo includes 143 single family homes on 5,000 to 6,000 square foot lots priced from the low \$300,000’s.

- Seascape at Makakilo has 109 CPR single family homes priced from the mid \$200,000's.
- Watercolors at Makakilo has 17 CPR single family homes left to sell, ranging from the high \$200,000's to the mid \$300,000's.
- Kapolei Knolls' second phase opened with 211 single family homes from the mid \$300,000's — 12 models to choose from.
- Sea Country in Maili Kai ("the lowest-priced single family homes on Oahu") offers two phases: Palekai with 66 single family homes starting from the high \$100,000's and Pookela with 88 zero lot line single family homes from the low \$200,000's.
- Leolani in Hawaii Kai, a community of 60 large, semi-custom, single family homes priced from \$650,000 to \$850,000 on 7,000 to 10,000 square-foot lots is delivering its first homes (in April as of this writing).
- Nanea Kai, next to the Hawaii Kai post office, with 87 condo units and nine different models, is priced in the high \$300,000's. (A new release was set to be offered from 30 days of this writing.)
- Lualai at Parker Ranch, a 330 single family home community developed by Kaomalo LLC in partnership with Parker Ranch, offers four designs on 5,000 to 10,000 square-foot lots.
- Pualani estates near Kona with 265 single family homes on 5,000 square-foot lots, starting in the high \$200,000's,

already has sold 45 homes.

Against All Odds

"Although we have experienced cancellations as a result of the Iraqi war and its effect on our tourism industry," says Harry A. Saunders III, president of Castle & Cooke Hawaii, "housing demand has been so great, our sales rate for the first quarter of 2003 has exceeded 2002. Long term mortgage rates below 6 percent have been a big factor in the strength of the market." Saunders says 2002 was a very good year for the residential building industry, and 2003 should be a banner year for Castle & Cooke Homes as well as for the rest of the industry. "Last year, as the housing market strengthened, much of the activity involved site construction and getting product to market to meet consumer demand. This year, demand has remained strong and most of what we sold in the third and fourth quarter of last year is closing this year."

Bruce Barrett, vice president of sales and marketing for Castle & Cooke Homes Hawaii, Inc., underscores what Saunders says: "We delivered 525 homes last year," he says. "This year, the figure will reach 650. Barring a catastrophic event that would impact the country, this year will be better than last, for Castle & Cooke and for our competitors."

Barrett outlines the current product situation: "With our new product lines, we have several new model openings this year. In Mililani Mauka, our American Classic model homes (set to open at the end of April as of this writing) include five models ranging in size from 1,800 to 2,600 square feet and priced from the

high \$400,000's to over \$600,000 for the larger models on perimeter sites. Each model includes additional 'flex space' in the garage and all offer expansion opportunities. So far 60 home sites have been released for sale and all have been contracted or reserved. In June, also in Mililani Mauka, our Havens of I'i Vistas will open new models. These are affordable one, two, and three-bedroom town homes priced from \$135,000 to \$222,000. Of the 32 apartments released, all but two are contracted or reserved. Our newest community, the Renaissance, is located in Waipahu near the master-planned community of Waikele. The opening of five models ranging in size from 1,350 to 1,900 square feet and priced from the low to the high \$300,000's, is scheduled for August."



Aerial view of The Colony, SCD's luxury condominium development in Hawaii Kai

Support Services

"The pent-up demand for homes is a major factor in the current upbeat picture," says Robert W. Brant, president and CEO of Gentry Homes, Ltd. "Now, with the extremely favorable interest rates currently available, buyers can finally afford the homes they've been wanting for so long. So, affordability is the key. But it's not just the interest

rates. The mortgage companies also have come up with creative ways to help. In addition to the low minimum down payments, they're offering great financial products and packages as well."

Brant also is aware of the potential impact of national and international events. "But the war won't affect us this year," he says. "I am very optimistic about where we are and what lies ahead. Last year was excellent and 2003 looks even better."

Gentry will offer no new neighborhoods this year but is planning several new products for next year. "Just about everything released sells in two weekends," says Brant. "The fastest-selling are the entry-level communities such as our Las Brisas and Tiburon, both single family condominium homes in the low or mid \$200,000's. They're new this year."

Richard N. (Rick) Hobson, director of sales and marketing and principal broker for Gentry adds an interesting highlight. "Although luxury home sales in some areas of Oahu seem to have reached a plateau, we are still selling out every phase released.

Our high-end communities such as Woodbridge, at the top of our pricing structure, and Huelani, our exclusive gated community, still are seeing brisk sales."

Beyond Residential

The upswing in residential development has been highly visible throughout the state, but it is by no means the only industry area viewed as positive. There

are a number of significant commercial, retail, private, and public projects in the works and many more in the planning stage. And there are a few developers who do both — major residential as well as commercial/retail projects.

One example of this is the Big Island's Parker Ranch. David Houle, chief operating officer, updates us on the recent renovations to Parker Ranch Center. "It's completed. We're just putting on the finishing touches, and then it's just normal tenant improvements." In more good news, Houle adds that 80 percent of the square footage is leased and 73 percent of the tenants already are open for business.

Community reaction to the renovated center has been enthusiastic. "There have been lots of positive comments," says Houle. "They have a new array of choices; Foodland, for example, and Starbucks, both new to the Waimea area." The center also includes Blockbuster, Rent-A-Center, Dairy Queen, Parker Ranch Store, Parker Ranch Realty, Parker Ranch Visitor Center and Museum, Healthways, Reyn's, It's All Good, Giggles, Rainbow Medical Supplies, Graciela's, Little Juice Shack, Supercuts, and Parker Ranch Grill. "In addition," says Diane Quitiquit, vice president of marketing and development for Parker Ranch, "coming soon are Kentucky Fried Chicken, Don's Chinese Kitchen, Sakura Kitchen, and Paniolo Pantry." Quitiquit also reports that both the Parker Ranch Center and the new Parker Ranch Store recently received honors in the Hawaii Visitors and Convention Bureau's 12th annual "Keep it Hawaii" Kahili Awards. (See sidebar in

this section.)

Houle says he does have concerns about the war's effect on eastbound tourists (especially from Japan), but so far has not seen any adverse impact on the center's business. "The first quarter of this year has been even better than the past year," he says.

In the residential area, Holo HoloKu, a development of residential cottages and ranch houses designed by Group 70, currently is under construction as is Lualai at Parker Ranch, a joint venture with Schuler Homes, developed by Kaomalo LLC.

George Isaacs, project sales manager for Lualai reports that sales are going well. "We're almost sold out of phase 1," he says. "We have nine units left in the last release." Lualai encompasses approximately 322 units in three phases. Phases 2 and 3 are in the planning stage. "We hope to start sales in phase 2 in mid to late summer." Isaacs explains that there are three neighborhoods in Lualai, priced from \$225,000 to \$300,000 and ranging in size from Nanea, to Waiolu, and the largest homes, in Maluhia. "People are lining up to buy," he says. "And 80 percent of our buyers are local, from Waimea or Kona."

More Multipurpose Developments

Kauai's Grove Farm also is seeing a great deal of development activity in several areas, from commercial to residential. Alan Smith, vice president and chief operating officer for Grove Farm reports that phase 3, the final phase of Kukui Grove Center is under way, with Shioi Construction as the

general contractor. "Kobayashi was the contractor on the first phase and Kauai Builders on phase two," he explains. "And Kiewit did the road project." The new Home Depot in Kukui Grove Village West, next to the Kukui Grove Center, also is moving ahead, with Goodfellow performing the site work, offsite improvements and utilities. "Maryl is the general contractor on this project," says Smith. "It's scheduled to open in October." On the residential side, Pikake, the next community in Grove Farm's Puako development, is in the design stage. And there's more news. "We finished the heavy work on the golf course, which means we'll be opening the next nine holes, (making it a full 18 hole course) this June or July." Also going up are a new club house, cart barn and a new maintenance facility for the golf course crew.

Back on Oahu, Campbell Estate reports upbeat developmental activity at Kapolei.

Donna Goth, president of Aina Nui Corporation, an affiliate of Campbell Estate says, "Business confidence in Kapolei has grown many fold since the Estate began developing the city in 1990. More than 40 new businesses opened in the new city during 2002, bringing the amount invested in the Kapolei region by the Estate and other private and public properties to more than \$1 billion." Of the new stores which opened through January of this year, 25 are locally owned and operated, including twelve recognizable family names such as L & L Drive Inn, Ba-Le Sandwich Shop, and Leonard Jr.'s Hot Malasadas and Espresso. Eight of the new local businesses are owned by first-time

entrepreneurs. "There is definitely a local flavor to the marketplace, which was deliberate on our part," says John Morioka, general manager of the Marketplace at Kapolei, which held its grand opening ceremonies in November, 2002. Campbell Estate predicts "the current demand for consumer goods and services that continues to drive the robust retail and commercial growth in the City of Kapolei to be a trend that is expected to continue into this second decade."

In other development news from Kapolei, Gannett Pacific's Honolulu Advertiser building broke ground in December. The \$82 million, 160,000 square-foot printing and production facility is scheduled to open in summer of 2004. Dick Pacific is the general contractor. Also currently under construction are the Kapolei Transit Center, a \$1 million City & County of Honolulu project expected to be completed by late 2003; the Marisco Boat Repair Facility, a \$3 million project located at the Kalaeloa Barbers Point Harbor, due to be finished this spring; the Gas Company's \$2.5 million Gas Storage Facility also at Barbers Point Harbor, set for completion this spring; and the Kapolei Interceptor Sewer, a \$9 million project of Campbell Estate; Ko Olina Intangibles, LLC; Schuler Homes; and HCDCH, estimated for completion in 2004.



Artist's rendering of the Plaza at Punchbowl assisted living facility

Investing in Hawaii

"We are very focused on growing our portfolio in Hawaii," says Michael G. Wright, vice president of A & B Properties, Inc., the real estate subsidiary of Alexander & Baldwin, Inc. Responsible for implementing A & B's strategy for growth through real estate acquisitions and investments, Wright offers as an example of this strategy, the recent acquisition of the building known as 1100 Alakea, a 31-story office tower in downtown Honolulu's central business district.

"1100 Alakea is a beautiful building in an excellent location," Wright says, "and most floors have expansive views of the ocean and Waikiki. We are planning several significant improvements and expect to convert the fee simple building to office condominiums, providing a rare opportunity for downtown professionals to purchase their own Class A office space," he says.

"1100 Alakea is an excellent addition to a long list of property acquisitions and investments A & B has made in Hawaii," adds A & B president and CEO Allen Doane. "We have demonstrated confidence in our state's future by

investing. It is the strongest statement we can make about our belief in Hawaii. To provide a sense of commitment to Hawaii.”

A & B also recently closed the sale (approximately \$9.2 million), through A & B Properties, Inc., of a property consisting of seven acres in Kahului, Maui, to Fergus & Company. The parcel is located across Dairy Road from the Maui Marketplace (a 20-acre shopping center developed within A & B’s Maui Business Park) and comprises a little less than half of the land in the block. There currently are 21 tenants occupying the property, which is zoned industrial, allowing for a wide range of uses, including retail, light industrial, and other businesses. “It is good to transfer ownership of this property to another Hawaii-based entity,” says Doane. “In keeping with our normal practices, we intend to reinvest the proceeds of this sale shortly.”

In a look at what lies ahead for Hawaii development in general, Wright says there will be a continued liquidation of Asian assets in the islands. “And the residential market will continue strong.”

Alexander & Baldwin, Inc. currently owns and manages approximately 91,000 acres in Hawaii, including 68,000 acres on Maui and 22,000 acres on Kauai, making it the state’s fifth largest private land owner. Doane lists highlights of the company’s recent activity and holdings:

- “Over the last four years, A & B has acquired or invested in 15 properties outside of our core land holdings on Maui and Kauai.

- A few years ago, the Alexander & Baldwin building, where our corporate office is located, was our only Oahu property. The acquisition of 1100 Alakea now brings the number to 10.
- A & B has a Hawaii commercial portfolio of office, retail, and industrial properties totaling 23.
- In addition, the company has 12 separate commercial and residential projects in various stages of development on Oahu, Maui, Kauai, and the Big Island.
- Our single most significant project is the KukuiUla joint venture with a premiere partner, DMB Associates. Planned for residential development of the highest quality, KukuiUla comprises 1,045 acres of prime land adjacent to the Poipu area on Kauai.

We hope and expect there will be more announcements in the future on additional investments in our great state,” Doane concludes. Wright underscores this with a strong comment, “We are definitely bullish on Hawaii and want to continue to grow locally.”

Hands-On Ownership

“One of the main reasons for our success,” says Mike Wood, partner with MW Group, Ltd., “is the fact that we manage everything we own. It’s a hands-on process. Our tenants deal directly with us, the owner-developer, on a one-on-one basis.” MW’s Mike Wood and Steve Metter have been company partners for 12 years. “We’ve seen significant growth during the last five years,” says Wood. Most of MW’s projects are a combination

of renovation and new development, and several are brand new developments, from the ground up. Salt Lake Self Storage falls into that category as does the Plaza at Punchbowl, an assisted living facility currently under construction. A 94,000 square-foot rental retirement residence specifically designed to serve assisted living, memory care and independent residents on Oahu, the six-story building is expected to open in December of this year. Nordic Construction, Ltd. is the general contractor and the architect is Wattenbarger Architects, Inc. out of Bellevue, Washington. "I went through the process with a parent — elder living in different places — so I had a commitment to do something about the situation," says Metter. "The Plaza at Punchbowl, with its wide spectrum of in-house services and amenities, supports our overall philosophy," adds Wood. "This style of gracious community living will allow seniors to live as independently as possible with a full complement of professional staff on duty to provide services to each person as necessary. This way, our residents maintain choice and dignity in their lives."

Also currently under way are major renovations to Pioneer Plaza in downtown Honolulu. "The whole ground floor is being redone" says Metter, "for an absolutely new look that will be inviting for shopping and browsing. The ground floor renovations will total \$1.5 million, but the overall renovations near \$9 million. We redid all the lobbies."

MW Group's other projects include \$2.5 million in renovations to the Nimitz Center on Nimitz Highway adjacent to

Costco and Home Depot in Iwilei. Improvements include new direct access off Nimitz Highway, new architectural elements, new landscaping, and new signage. MW recently completed work at Kihei Kalama Village, which included the creation of a tropical Hawaiian village-themed shopping and dining experience. "It's an example of our focus on Maui, where we take tired but well-placed projects that need to be improved," say the partners. "Our work there actually helped our Kihei Kalama Village tenants stay in business during some tough times." Wood explains that MW is a niche developer. "We have no set format," he says. "We take a real hard look at the marketplace, do market studies, and then try to fill the needs of the community. On Maui, we saw a need to renovate and develop shopping centers." Metter adds, "We try to add value to community-based projects and to the community as a whole. We plan for the long term."

(Editor's note: Look for more on MW Group in B.I.'s renovation feature in the June issue.)



Working on a form at the Wal-Mart/Sam's Club construction site off Keeaumoku Street, are members of Hawaii Carpenters Union, Local 745.
Photo courtesy Hawaii Carpenters Union.

More Good News

"Business is fabulous!" That's the enthusiastic summary of Mark Richards, president/owner of Maryl Group Inc. "We're very excited about 2003. In spite of the world situation and the U.S. economic doldrums, we are making excellent progress and expect this to be an outstanding year." As to specific Maryl projects, Richards reports that the Crossroads Professional Building in Kona is now fully leased, with such tenants as HMSA, Bishop Insurance and First American Title. The Villages at Mauna Lani, located in the Mauna Lani Resort, is a residential development of golf course villas and twin-residence town homes designed by Maryl Architecture, and offered for sale by Maryl Realty. "We delivered 18 homes in 2002 and currently have 17 more under construction, with contracts closed on 33," says Richards. At Iolani in Holualoa, another residential development, Richards reports that there are just three lots left in phase three, and construction is beginning on phase four. In a new project, "We've formed an entity for the development of luxury, upper-end residences at Kokio, near Hualalai and we also are working on a large luxury home at Hokulia. And we're building an oceanfront home at Kolea (at Waikoloa)."

(Editor's note: for more on Maryl projects, see the "Spotlight on Success" in this issue of B.I.)

Kicking it up in Kakaako

"We want to change the way people think about Kakaako," says Jan Yokota, executive director of the HCDA (Hawaii Community Development Authority.)

Indeed. And so do many others in the development and construction business.

Just last month, in B.I.'s Finance and Bonding story, First Hawaiian Bank's Ken Pai spoke of the exciting possibilities inherent in the UH medical school project and how support facilities could generate major money into the economy, from private research and development sources, for example.

A proposed new aquarium and research buildings within the Kakaako project area would be financed by \$40 million in revenue bonds plus private investment money as well as donations. The project also conceivably could receive multi-millions in tax credits from the state's Act 221 high-tech development incentive.

Alan Lock, vice president of marketing for Hawaiian Dredging Construction Company, explains the role of key players in the Kakaako development plans. "Hawaiian Dredging/Kajima Construction Services is the general contractor for the UH medical school currently under construction" he says. (Kajima USA owns both Hawaiian Dredging and Kajima Construction Services.) "KUD (Kajima Urban Development), the development arm of Kajima USA has proposed the plan for the Kakaako Aquarium." Both Kamehameha Schools and Victoria Ward Ltd. have interests in the Kakaako plans, since both own adjacent land and are looking at eventually utilizing the land for research and support facilities for the medical school. All players also are involved in the creation of a master plan for the area. Kamehameha Schools, in conjunction with Victoria Ward Ltd. and the HCDA will release the regional land-use study upon approval by school trustees.

Lock says part of the overall area will be designated for a technical park and part for support of the park and aquarium and facilities such as cancer research. As to the technical and research facilities, Kamehameha Schools director Sanford Murata emphasizes, "We want to create a facility that would support bioscience and biotech uses for companies that want to be near the medical school. As a responsible community builder, Kamehameha Schools supports the vision of creating a biotechnical industry that would help to diversify our economy." The aquarium development is expected to attract retail, commercial and even residential developers to the Kakaako waterfront area. In the meantime, road improvements in the area are expected to total more than \$50 million.

What Else is Developing?

Other current development projects and plans include:

- A second aquarium proposal, this one at Ko Olina, is developer Jeff Stone's dream. The \$100 million Ko Olina Pacific Outdoor Aquarium would be the central point of an exotic Hawaiian Village at the resort. And in typical, "if you build it, they will come" attitude, both the Ritz-Carlton and Hilton companies have signed letters of intent pledging their construction of new hotels if the aquarium becomes a reality.

"I can't get hotels to come unless I give them an attraction," says Stone. And he refers to business from cruise lines such as Norwegian Cruise, "For us to be a day port, we must have something here." With its surrounding shops, hotels, and condos, supporters of the Ko Olina

aquarium project say it would attract 400,000 to 800,000 visitors a year.

- The Dole Plantation wants to increase the size of its visitor site in Central Oahu, adding more than 17,000 square feet in a new building that would house retail shops and a restaurant as well as an on-location coffee mill, says Dole Plantation's operations manager Susan Harada. She explains that the new facility would create more than 100 new jobs. "That would be a huge benefit to the community," she says.

A special-use permit must be approved by the city planning commission before Dole can proceed with construction.

- The new Wal-Mart Sam's Club off Keeaumoku Street has begun construction. Dick Pacific is the general contractor with Healy Tibbitts as the sub. The building, which will be four stories high with a four-level parking structure, is scheduled for completion in April, 2004.

- A Dallas, Texas developer, UC Urban, has proposed a multi-functional plan for the Aloha Tower area, which would include an office building, hotel, residential units, and ferry terminal at Piers 5 and 6. The Aloha Tower Development Corporation's Ron Hirano says even though the plan is preliminary at this point, "I'm kind of excited about their proposal." The state has agreed to pursue the Dallas company's plan, which was one of two submitted in response to a request for proposals.

There is more development ongoing or in the planning stage throughout the state, from timeshares to additional elder care

facilities, commercial and retail projects, and, of course, private residential work. Our space does not allow us to detail them all, but the picture is abundantly clear: development is bigger and better than ever in the 50th state. Attitudes and expectations remain extremely upbeat, even in the face of uncertain times nationally and internationally. That is good news for the entire industry, for before a foundation is laid or a brick put into place, there must be a developer. And right now in Hawaii, they are in abundant and optimistic supply.

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